

Rewald's Assets Continue Frozen

Continued from Page One
tions lines in connection with the
alleged fraud.

ONE COMPANY official who also is under investigation for his role in any possible fraudulent activities is attorney Robert Jinks.

Nagler said Jinks initially held himself out to be the head of the company's West Coast office in Napa, Calif., when he was interviewed by her investigators.

But on the stand this morning, Jinks maintained the company never had a Napa office and that he was merely a legal consultant to the company.

Jink said he did not know how the company's money was being used and that he himself had put money into a company account.

Jinks acknowledged that he had distributed application forms for the company's investment savings account and had discussed the payment of "bonuses" to those who found other account investors.

"Everything I did was in my capacity as an attorney hired as a consultant," Jinks testified.

JINKS IS THE trustee of a multimillion dollar trust in the name of Elizabeth Halvorsen. The trust was set up after her son, Leland Don Halvorsen, was murdered on the Big Island in 1978.

Jinks said after the hearing this morning that none of the assets of that trust was put into any Bishop, Baldwin, Rewald, Dillingham & Wong accounts.

But attorney Wagner said it is suspected that a lot of the assets went into the company and that those assets are now gone.

"We have a way to go with Mr. Jinks," Wagner said.

The Halvorson trust also was used to secure the lease on the company's Grosvenor Center offices and assets of the trust also were invested in a limited partnership in an apartment house in California.

Jinks testified, however, that he did not know if the partnership actually was registered in California.

"You put \$900,000 in a partnership and you don't know if it was registered?" Wagner asked Jinks.

THE HALVORSON trust is not

the only trust fund managed by the company that attorneys fear may have been depleted.

A \$1.2 million trust in the name of Cecelia McCormick that had been transferred to Rewald from the Mellon Bank in Pittsburgh last year also apparently is without assets.

Company office manager Sue Wilson who was given power of attorney of the McCormick trust liquidated \$1 million in stocks, according to trustee attorney Don Gelber.

Another trust in the name of Nancy J. Mitchell worth about \$500,000 also apparently is without assets.

Today's court session was the second day of testimony in the case.

YESTERDAY, THE company's former president testified that he had no idea what the company actually did with investors' money and did not even know what the company attorneys' responsibilities were.

"I'm embarrassed to say . . . I did not know exactly what their roles were," Sunlin L.S. "Sunny" Wong testified when asked if he knew what a number of attorneys did at the company's Grosvenor Center offices.

Although he officially was president of the company and owner of half the company's stock, Wong testified he did not know much about the company's actual business.

He said he was paid \$8,400 a month to run three sporting goods stores owned by the company and as a real estate consultant.

The company was forced into bankruptcy two weeks ago after Rewald attempted suicide and it was learned that \$17 million in investors' funds are unaccounted for.

A PARTIAL explanation for the missing money came yesterday when an accountant testified that much of the invested money went toward Rewald's personal expenses and for the cost of running the company.

The accountant said that, in the past two months, investors put \$2.6 million into the company but that apparently none was invested.

For the first time since Rewald's suicide attempt, Wong spoke publicly about his role in Bishop, Baldwin, Rewald, Dillingham & Wong and about its eventual collapse.

Responding to questions from Wagner, Wong said he resigned from the company after Rewald's suicide attempt because Rewald refused to tell him where the company's assets were.

"You were president of the corporation and he wouldn't tell you where the assets were?" Wagner asked.

"No sir," Wong answered.

He said that Rewald had asked him to tell investors they would get their money in 30 days but that he had become uncomfortable when he could get no details from Rewald about where the money actually was.